



**CALIFORNIA VETERANS BOARD**  
**FORMAL HEARING AND**  
**GENERAL SESSION MEETING #657**  
**Friday, May 9, 2003 – 10 A.M and 1 P.M.**  
**HQs. California Department of Veterans Affairs**  
**Sacramento, CA**



**OPENING COMMENTS/ INTRODUCTIONS:**

The California Veterans Board (CVB) formal hearing was called to order at 9:00 AM. California Veterans Board members present included Chairman George Sinopoli (Fresno), Vice Chair Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), and Larry Lattman (California Veterans Home in Yountville). Judy Gaze (San Diego) was excused. Legal Counsel Joe Maguire and CVB Executive Officer Earl Steck were also present.

Anthony Sinopoli led the Pledge of Allegiance and the Chairman introduced the Board members.

Chairman Sinopoli advised the first order of business was a formal hearing for James DeHerrera, who was appealing a denial of a loan with the Farm & Home Division.

**FORMAL HEARING:**

Counsel Joe Maguire explained the procedure and then Veteran De Herrera started.

Mr. De Herrera said that his credit was fine until his divorce. He said he did his best to pay off their creditors, but couldn't find all of them, and some debts were sold off. The reason he wants to buy a house is to take care of his son, who is 100% disabled and in a wheelchair. His landlords will not allow him to make his apartment wheelchair accessible. The charge from Humboldt County is for child support, it started in 1975 as \$1800, and is now at \$85,000. Mr. Herrera said VA had given them allotments for that purpose, but they didn't recognize it. He stated that the credit report contained several bills that were duplicates. He said that due to his wife transferring money out of his account into hers without his knowledge, the bank locked up his account for a time, making it harder to pay his bills. Chairman Sinopoli asked about the creditor Mr. Herrera said had put his account into collections over one late payment, and he replied he was still paying on that debt. Mr. Lattman asked about his VA status, and Mr. De Herrera replied that he was considered 100% disabled due to a gunshot wound in the back. Mr. Lattman asked if the court had assigned his ex-wife to pay a percentage of the bills. Mr. De Herrera responded that she took most of the assets, and he took responsibility for the bills.

Joe Maguire asked the amount of the loan Mr. De Herrera was seeking, and what means he would be utilizing to pay that debt off. He stated his monthly debt payment was around \$1000, and between him and his son, they brought in about \$4000 a month.

His fiancée, who is his son's caregiver, brings in about \$3000 a month. He is paying approximately \$1500 in bills each month, and another \$1000 in rent.

John Jackson, Legal Counsel for the California Department of Veterans Affairs (CDVA), made his opening statement. Mr. Jackson asked Mr. De Herrera if he currently had a loan with Ford Motor Company, to which Mr. De Herrera answered affirmatively. The monthly payment was over \$600. Mr. Jackson introduced three of Mr. De Herrera's bills to be entered as Exhibits A, B, and C. Mr. Jackson asked if Mr. De Herrera had paid off any other bills since he came to CDVA, to which he responded that he had paid off bills for ATT Wireless and Gem Auto Wash. Mr. Jackson asked for copies to be submitted. Mr. Jackson asked if he had any estimate what it would cost to have the special equipment he is seeking for his disabled son installed. Mr. De Herrera stated that the equipment alone would be about \$5000, and that he had family that would provide the labor. Mr. Jackson asked Mr. De Herrera if he had ever sat down with anyone from CDVA and go over the bills on his credit report and explain what the bill was, and why he was late. Mr. De Herrera replied that he had gone over a couple with Mrs. Wilcox, but had gotten angry after being confronted with bills he was unaware of. Mr. Jackson asked Mr. De Herrera if he had been called by Mr. Washington of the Sacramento District Office and asked to explain his debts. Mr. De Herrera confirmed this. Chairman Sinopoli asked Mr. Jackson when was the last time the Department did a credit report on Mr. De Herrera, and Mr. Jackson answered it was two days ago, and that he still did not qualify. The Chairman asked Mr. De Herrera if he had any witnesses, but none were present. Mr. De Herrera declined making a closing statement.

Mr. Jackson directed the Board to the exhibits in their binders. Robert Washington of the Sacramento District Office of CDVA was called to the witness stand, and asked if he had examined Mr. De Herrera's financial statement and made a determination if he would be able to get a loan through the Department. Mr. Washington replied in the negative. Mr. Washington was asked about the letter from his unit dated January 7, 2003 and asked if the reasons for not extending the loan were (1) excessive collection accounts, (2) failure to have a minimum of one year good credit and (3) excessive past due accounts. Mr. Washington said that was correct. Mr. Jackson asked Mr. Washington whether he had occasion to talk personally with Mr. De Herrera to tell him he needed to clear up each of these credit accounts with the Department, to which Mr. Washington said yes. Mr. Washington was asked if Mr. De Herrera had ever come in to go over these accounts, and replied that he did not. Asked about a conversation with Mr. De Herrera on May 6, 2003, Mr. Washington stated that he came up with 34 past due and collection accounts, and asked Mr. De Herrera asked him what the status of his debt would be January 2004, and was told it would be outstanding. Mr. Washington said Mr. De Herrera said he couldn't wait that long, and then the connection was lost. Mr. Jackson asked Mr. Washington if he had found one account in his credit report that had been current for one consecutive year, and the reply was no. Mr. Jackson asked Mr. Washington if, when going over an applicant's credit, they have reasonable grounds for not making their payment, is that taken into consideration. He replied yes. Mr. Jackson asked the Board to look at the Department's documents he had given them. Mr. Jackson said that approving Mr. De Herrera's loan would do a disservice to the veterans who are meeting their loan commitment if we give a loan to a veteran who is unable or incapable of paying. Reading from Department documents, Mr. Jackson said that as long as there is adequate security for the loan, borderline evaluations should be decided in favor of the veteran, but that all liens, judgments and collection accounts on the credit report would indicate serious problems and require explanation. Furthermore, if a person has a fair credit score, above 680, written explanation of the late payment accounts of the past 12 months may be waived, if there are no more than three 30-day late payments.

If the person is putting down 10 %, there can be up to four collection accounts each with a balance of under \$300 that do not have to be paid, if the accounts are more than one year old, Mr. Jackson continued, charge off accounts must be paid if the date of charge off is less than three years from the date of the loan application. This is as about as liberal a lending policy as you're ever

liable to find in your life, said Mr. Jackson. When Mr. De Herrera filed his appeal, Mr. Jackson said, he asked Robert Washington to run the numbers to see how much he would have left over after paying his mortgage payment including taxes, impounds, insurance, etc. and the answer was \$632, which doesn't leave much to pay off bills. Mr. De Herrera is not married, so he cannot include his fiancée's earnings in the breakdown. Mr. Washington said that there was not sufficient income to make Mr. De Herrera the loan. He also said that we do not make loans "as is", we would make the loan including the amount needed to address repairs.

Mr. Jackson told the Board that Veterans Services may be able to help with the equipment desired for Mr. De Herrera's son, and then recommended going to a debt consolidation service to get his obligations under control, and coming back in January 2004 or later for reconsideration of a Cal Vet Loan.

Both parties rested their cases.

Both sides were offered another opportunity for closing comments, both declined.

The Board went into chambers to deliberate.

After a break, the Board returned, deciding to uphold the Department's decision, with the following recommendations: that the vet seek assistance from the CVSO, the County Social Services Officer should be consulted for assistance with his child, and credit counseling advice given by Mr. Jackson be utilized.

The meeting was adjourned.

**CALIFORNIA VETERANS BOARD  
MINUTES OF GENERAL SESSION #657  
Friday May 9, 2003, 1 PM  
HQs California Department of Veterans Affairs  
Sacramento, California**

**GENERAL SESSION:**

The California Veterans Board (CVB) monthly public meeting was called to order at 1PM. Board members present included Chairman George Sinopoli (Fresno), Vice Chairman Edward Feldman (Westlake Village), Members Jerry Basconcillo (Delano), and Larry Lattman (California Veterans Home in Yountville). Judy Gaze (San Diego) was excused.

Mel Biscay led the invocation. Anthony Sinopoli led the Pledge of Allegiance.

Chairman Sinopoli introduced the members of the Board; Joe Maguire, Legal Counsel to the Board; and CVB Executive Officer Earl Steck.

The audience introduced themselves.

The Chairman reported that the Select Committee and the General Session would be combined today and time would be allowed for audience remarks as requested.

**MOTION** passed to approve minutes from the CVB meetings of April.

Chairman Sinopoli welcomed everyone and thanked them for attending.

**REPORT FROM BOARD MEMBERS ON ACTIVITIES FOR APRIL:**

**Member Larry Lattman** reported attending the Board meeting in Sacramento, and the Capitol Rose Garden dedication of roses named after the Bronze Star and Silver Star. He also attended a legislative symposium on veterans' legislation, and then went to the Veterans Memorial Monument where he laid a wreath at the base of the monument honoring the 40 California servicemen that had lost their lives in Operation Iraqi Freedom.

**Member Judy Gaze** was excused.

**Member Ed Feldman** attended the CVB monthly meeting in Sacramento, attended the installation of officers at the Jewish War Veterans of America in Los Angeles. He also attended a banquet honoring Charles Dorman, the CEO of the West Los Angeles VA Medical Center, and continued efforts to backfill spaces left vacant by Camp Pendleton.

**Member Jerry Basconcillo** reported attending the Board meeting in Sacramento and several American Legion events in the Delano area.

**Chairman Sinopoli** reported he chaired the Board meeting in Sacramento, and a symposium for commanders and secretaries of various veterans' organizations in Sacramento. He also is active in Fresno, working on the future Veterans Home for that community.

**REPORTS: (Status of CDVA Division / Select Cal Vet Board (CVB) Committees / Special)**

**VETERANS HOMES OF CALIFORNIA, CDVA DIVISION: No report.**

**VETERANS HOMES CALIFORNIA, CVB Committee, Larry Lattman.** Mr. Lattman reported that ongoing projects at Yountville are going on schedule. Jefferson Hall and the Coffee shop are almost completed, and the Lincoln Theatre is in progress. He has received some inquiries about the leave policy. Yountville has a 90-day leave policy, and Chula Vista only has 30 days. He suggested standardizing the leave policy to 90 days for all Veterans Homes. The Secretary responded that it was his intent that all procedures be equal at all the Homes if possible. Chairman Sinopoli requested Mr. Lattman write the policy for the Homes, because he is a member of the Cal Vet Home and put on the Board by the Governor to represent the home members.

Mr. Lattman said that he had been invited to the Chula Vista Home to help set up their Allied Council. He asked the Secretary if the Department would cover the cost of that trip, since it was not truly Board business, but important Vet Home businesses. The Secretary wanted it known what the reasons for Mr. Lattman doing this. Larry indicated there was no Allied Council at Chula Vista and he was going to assist in explaining the benefits for setting one up and he hoped the Department would cover the expense. The Secretary agreed and told Larry to process his claim with John Hanretty.

**FARM AND HOME PURCHASES, CDVA DIVISION – Jerry Jones, Chief.** Mr. Jones stated that HR 1742 has received the support of 23 Assembly members and the Department is working on the other 30. A PowerPoint presentation has been prepared, and our Department's website will have a link to information about HR 1742. The online application process is currently in the testing stage. The Department is considering lowering the interest rate for new loans, but need opinion of the Bond Council. We are not able to do refinancing due to federal restrictions.

**FARM AND HOME PURCHASES, CVB Committee, NO report.**

**VETERANS SERVICES DIVISION – Glen Halsey, Chief -** Mr. Halsey stated that two veterans outreach positions, were temporarily filled, by two workers on loan, are now permanent positions in the Department and will be filled soon. The Veterans Service Division now has the cemetery over watch programs. The operation of the Redding cemetery is now within Veterans Services jurisdiction and it is on track at this time. There are two bills, one each in the assembly and the senate, that establish a site selection committee for future California cemeteries. There will be a half-scale replica of the Vietnam Veterans Memorial at the State Fair this year.

**VETERANS SERVICES, CVB Committee, Veterans Services, Jerry Basconcillo.**

Mr. Basconcillo remarked on Tulare County's full military funeral given for their first casualty from Iraq. His name was Lt. Baldo Orison and approximately 2,000 people attended the ceremony.

**CONTRACT MANAGEMENT, CDVA – John Hanretty, Chief, Finance Division –** No news on Contract Management at this time, but he did give a financial report. On the leave policy, he would like to have the financial division involved in the discussion. One of the reasons the small veterans homes have a 30-day limit is because the USDVA does not pay us for absences longer than 30 days. In the large homes, you may not notice the loss of funds, but in the smaller ones it will make a difference.

We have presented 3 policy considerations to the governor this week: (1) to close the Skilled Nursing Facility wing in Barstow; (2) re-align operations in Yountville, eliminating excess hospital beds so that we are not required to staff for unused beds, separate the urgent care clinic from the ambulatory clinic, put more doctors in the clinic, and create a business office;

(3) To upgrade the last wing of the facility at Chula Vista to a SNF. We have submitted a loan for Yountville and a loan for Barstow, to continue operations. Because of the way the budget is built, we are required to obtain loans to make it to the end of the year. We have also submitted a deficiency for both homes. We have worked out billing problems (including figuring out our true level of reimbursement) and the Department of Finance has put \$3 million from the general budget back into the homes.

DOJ has been debiting the Departments account for attorney's fees to the CVB for about \$500 a month for two months, but the Secretary said that he had put a stop to the automatic payments because there was no bill or contract to support expenses. Mr. Hanretty said that the Veterans Board was currently running under budget, with a projected savings of \$15,000 at the end of the year.

**CONTRACT MANAGEMENT, CVB Committee, Jerry Basconcillo.** Mr. Basconcillo said he had just been handed a status report from Mr. Hanretty regarding ISD and Contract status.

**LEGISLATIVE AFFAIRS, CDVA – Jerry Jones,** no longer Chief of Legislative and Public Affairs, spoke for probably the last time on this topic. Department sponsored Assembly bills 1036 and 1736 has had no opposition and is in the Appropriations Committee of the Assembly. Two bills the Board voted to oppose, Senate Bill 561 and Senate Bill 369, didn't get voted on, and would probably not have any action taken on them until at least 2004. There are two bills before the Legislature to create commissions to determine if there's a need for cemeteries and where they should be—A.B. 638 and Senate Bill 748.

**LEGISLATIVE AFFAIRS, CVB Committee,** Larry Lattman had nothing to report at this time.

**ANNUAL REPORT, CVB Committee,** Jerry Basconcillo: Mr. Basconcillo said this fiscal year would be ending in June, and we are working to have Board's Annual Report completed October 1<sup>st</sup>.

**RECOGNITION AND AWARDS, CVB Committee,** George Sinopoli: Chairman Sinopoli explained the Board is continuing to present plaques and thanks to people who have served the veterans of the United States.

**APPEALS, CVB Committee,** George Sinopoli: Chairman Sinopoli referred to an appeal resolved earlier that morning, and Mr. Clarence Dillard, on whose case more information is needed, and Mr. Ronnie Nelson, a new appeal that Judy Gaze will take care of.

**LEGAL DIVISION,** Joseph Maguire, Deputy Secretary/Chief Counsel: Mr. Maguire reported that in the beginning of May we had 104 cases. The law office is down 3 attorneys and there were two secretarial positions that were vacant, one of which has been filled. The third-party liability case from the Barstow Home went well for us, being reversed on appeal. Troubling from a legal standpoint is Assembly Bill 76, in the process of going through the Legislature, which would establish third-party liability as a matter of law. John Debbs' case is winding down; we are waiting for the period of final appeal to run out.

Regarding the Board budget, Mr. Maguire found an old Legislative Council opinion (1984) that states the Board does not set it's own budget, but also says the Board does set policy for the Department. There appears to be a gray area between what is policy and what are day-to-day operations. The Chairman has asked Mr. Maguire to pass out a policy that he has formulated regarding the time and place of Board meetings and prior approval before the expenditure of Board funds. Chairman Sinopoli asked the Board to consider deleting the July meeting for budget concerns.

**INSPECTOR GENERAL**, Ms. Julie Hom, The Deputy Inspector General, said that they didn't have a new Inspector General yet, but they did have a Deputy IG Michael Nelson.

**SECRETARY'S COMMENTS:** Secretary Johannessen said everything was coming along well with the closure of Barstow and the transport of veterans from there is on schedule. We will have a military plane taking several vets to San Diego. The Secretary said he has instructed Chula Vista to begin the hiring process of the remaining 27 or 28 nurses. The reorganization we have done within the Department is functioning well. The Secretary thanked Chairman Sinopoli for his efforts on behalf of the proposed Fresno Veterans Home. The constructions of the Veterans Homes are proceeding apace, and he met with the architects of the L.A. Site. The Federal funding has been approved for the projects.

**PUBLIC COMMENT – THREE MINUTE LIMIT:**

Carl Jensen of Vietnam Veterans of America brought up CARE process with Division 21 and 22, the Division of the VA medical program that covers California. From the Golden Gate Bridge to the Oregon border, there are only 3 clinics.

Bruce Phillips spoke about the letter from the Secretary re: HIPAA, and the privacy bill requirements as it regards the Board. Requested a 10-minute presentation at the next Board meeting, to cover compliance issues.

**UNFINISHED AND NEW BUSINESS:**

Bruce Thiesen spoke of budget cuts in the Department. 20% of our vacancies have been lost. The last 10% cut that we're going through amounts to about \$4.4 million dollars we have to eliminate from the Farm & Home Division, which means about 86 vacancies.

Regarding the Board policies, Joe Maguire had some reservations about some broad and confusing language. Approval of the CVB policies was postponed, pending additional review.

**FUTURE MEETING DATES AND LOCATIONS:**

Due to budget restrictions the Chairman put all meetings on hold, subject to his call.

UPDATES and yearly schedule is posted on web site: [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board)

**CLOSING REMARKS:** If a meeting is needed in July, Chairman Sinopoli said that he would call and let everyone know.

- There being no further business to discuss the meeting was adjourned at 10:45 a.m.
  - • These minutes are only a summary of the proceeding and are not reported here verbatim.
  - • These minutes are posted to the California Department of Veterans Affairs on-line website at [www.cdva.ca.gov/board](http://www.cdva.ca.gov/board)
  - 
  -

**CLOSED SESSION** (if necessary or required)

The general reason or reasons for a closed session, and the specific statutory authority therefore, are (1) to consider the appointment or employment of a public employee under the authority of Section 11126(a) of the Government Code; and (2) to confer with or receive advice from the Board's legal counsel regarding pending litigation under the authority of Section 11126(E)(2)(A), (2)(B), and (3) of the Government Code.

**ADJOURNED**